

Gas drilling in Gulf slows down

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The summer slump in natural gas prices led to a reduction in drilling in the Gulf of Mexico. "The softening U.S. Gulf of Mexico conditions are due to the recent slide in domestic natural gas prices," Tom Marsh, associate publisher of the ODS-Petrodata Group, said in a written statement. "These soft rig market conditions are likely to continue into the first quarter of next year."

The percentage of existing jack-up rigs under contract in the Gulf is 83 percent now against 93 percent in early January when gas prices were higher, according to ODS-- Petrodata. Drilling fell because the profits were affected by rising drilling costs and falling prices. There were sharp increases in the costs of finding and producing natural gas last year and into 2001, bringing the total cost to around \$3.38 per Mcf.

Tengasco In Joint Venture In East Tennessee, Southern Virginia

Tengasco and Penn Virginia Oil & Gas Corp. entered into a joint operating agreement to explore, drill, and develop a 57,300-acre area of mutual interest in East Tennessee and Southern Virginia.

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